

MINUTES

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY BOARD OF DIRECTORS MEETING

August 8, 2017 - 12:00 P.M.

Monroe Building, 101 N. 14th Street, 11th Floor Board Room
Richmond, Virginia

- I. Board Directors present: Chairman Gail Letts, Mr. John Hopper, Dr. Monique Johnson, Ph.D., The Honorable Manju Ganeriwala, Mr. William Smith, Mr. Corey Holeman, and Mr. Michael Joyce

Board members absent: Vice Chairman Neil Amin, Mr. Linh Hoang, and Ms. Tracey Wiley

VSBFA Staff: Ms. Nathalia Artus, Ms. Barbara Carter, Ms. Anna Mackley, Ms. Mary Jo Sisson-Vaughan, Ms. Linda Gilbert, Ms. Patty Thorne, and Ms. Robin Foster

Others present: Mr. Michael Solomon (Pulaski County IDA), Mr. William Powers, III, and Mr. Hugh Kerr (CCAM), Mr. Patrick Gottschalk (Williams Mullen), Mr. Paul Rocheleau (VCU School of Engineering), Mr. Don Ferguson (Senior Assistant Attorney General), and Ms. Reba O'Connor and Ms. Jennifer Mayton (DSBSD)

Chairman Letts called the meeting to order and welcomed returning board director, Mr. Michael Joyce.

- II. Approval of Minutes - On a motion by Mr. Hopper, seconded by Mr. Holeman, the July 11, 2017 Board of Directors Meeting minutes were unanimously approved. Voting aye: Chairman Letts, Mr. Hopper, Mr. Holeman, Dr. Johnson, Mr. Smith, Mr. Joyce, and Ms. Ganeriwala. Voting no: None.

III. Economic Development Loan Fund (EDLF) Applications

- A. IDA of Pulaski County - Pulaski County - \$2,000,000. Ms. Linda Gilbert, RLM for Southwest Virginia, presented the application to the Board. Mr. Michael Solomon, economic development director for Pulaski County, and Mr. Marcio Lopes, Chief Operations Officer for "Independence," discussed the project and answered the Board's questions. A presentation was shown about the company which manufactures foam and foam tape solutions to a wide range of industries. Ms. Ganeriwala requested the Authority review and adopt guidelines for setting lending limits on the EDLF program to a single locality. On a motion by Mr. Smith, seconded by Mr. Holeman, the Board of Directors unanimously approved the request by the IDA of Pulaski County for a \$2,000,000 10-year loan through the Economic Development Loan Fund to finance the purchase of a newly constructed commercial building. Voting aye: Chairman Letts, Mr. Smith, Mr. Holeman, Dr. Johnson, Ms. Ganeriwala, Mr. Hopper, and Mr. Joyce. Voting no: None.

- B. Commonwealth Center for Advanced Manufacturing (CCAM) - Prince George County - \$1,500,000. Ms. Patty Thorne highlighted the request and introduced CCAM's staff and partners: Mr. Patrick Gottschalk, Mr. William Powers, Mr. Hugh Kerr, and Mr. Paul Rocheleau. Mr. Gottschalk discussed the history of the project, the CCAM concept to bring government, universities, and businesses together. Mr. Rocheleau spoke about the university's involvement in CCAM, the academic, industrial, and government partnership. Mr. Powers and Mr. Kerr talked about the current need for financing and future expansion of the project. The Board viewed a presentation on the project and their questions were answered. On a motion by Mr. Hopper, seconded by Ms. Ganeriwala, the loan was approved with the following conditions in addition to those recommended by Staff: That the Borrower provide the customary financial information expected in transactions of this size & nature to include, but not limited to, on a quarterly basis within 30 days of the end of the previous quarter: (a) in-house quarterly, consolidated financial statements, (b) management report discussing 1) status of Directed Research activity, and 2) receipt of any government grants, and 3) new Member Recruitment updates; (c) Depreciation schedule on collateral equipment and machinery as described in Attachment A, and (d) Job reports showing the number of full time jobs and the number of new jobs created during that past quarter; and any additional financial reports required by other lenders. Voting aye: Chairman Letts, Mr. Smith, Mr. Holeman, Ms. Ganeriwala, Mr. Hopper, and Mr. Joyce. Voting no: None. (Dr. Johnson was not present for the vote.)

- IV. Board Review and Ratification of Loans Approved/Declined by Staff - On a motion by Mr. Hopper, seconded by Mr. Joyce, the Board of Directors ratified the loan decisions made by staff for July 2017. Voting aye: Chairman Letts, Mr. Smith, Mr. Holeman, Mr. Hopper, and Mr. Joyce. Voting no: None. (Dr. Johnson and Ms. Ganeriwala were not present for the vote.)

- V. The meeting was adjourned.